

CORRECTED FISCAL NOTE

SB 3383 – HB 3750

March 10, 2008

SUMMARY OF BILL: Changes privilege tax exemption requirement by requiring water or energy fuel used by or sold to manufacturers to only come into contact, instead of coming into direct contact, with the article that is being fabricated or processed.

ESTIMATED FISCAL IMPACT:

On January 23, 2008, we issued a fiscal note for this bill indicating a minimal impact to state government. Based on information received from the Department of Revenue (DOR), the fiscal impact of this bill is estimated as follows:

(CORRECTED)

Decrease State Revenue – Exceeds \$1,000,000

Decrease Local Revenue – Exceeds \$100,000

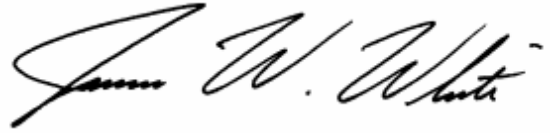
Assumptions:

- Water or energy fuel must come into direct contact with articles being fabricated or processed to be eligible for the exemption provided under current law.
- According to DOR, removing the provision that water or energy fuel must come into direct contact with articles being fabricated will authorize exemptions on water and energy fuel used in other non-manufacturing areas of manufacturing facilities (corporate offices, common areas, etc.).
- Based on energy and fuel data provided by DOR, the decrease of state and local government revenue is estimated to exceed \$1,000,000 and \$100,000 respectively.

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CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/rnc